

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 SIL-01 LAB-04 SAB-02 TRSE-00 /068 W

-----066051 040046Z /64

R 031650Z AUG 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 3032

INFO PANCANAL

USCINCSO

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EO 11652: N/A

TAGS: PBOR, PN

SUBJECT: INFORMATION ON THE TREATY IN THE CANAL ZONE

1. THE CANAL ZONE RESIDENTS ARE GRADUALLY GETTING A PICTURE, DISTORTED IN SOME CASES, OF THE SHAPE OF THE PROPOSED NEW TREATY. THE FOLLOWING IS THE TEXT OF A FLYER, WHICH IS TYPICAL OF THE TYPE OF INFORMATION NOW CIRCULATING IN THE ZONE:

QUOTE: CANAL TREATY DEVELOPMENTS  
BASED ON NEWS RECEIVED AT THE ADMINISTRATION BUILDING FROM WASHINGTON, D.C. WITH ADDITIONAL DETAILS FROM AL GRAHAM, AFL-CIO

1. DEPARTMENT OF DEFENSE WILL OPERATE THE CANAL
2. 3,000 TO 8,000 NON-U.S. JOB SLOTS WILL BE ABOLISHED IMMEDIATELY
3. 700 U.S. JOB SLOTS WILL BE ABOLISHED WITHIN 5 YEARS
4. DOD WILL TAKE OVER THE HOSPITALS
5. ALL U.S. CITIZENS WILL NEED PANAMANIAN VISAS TO LIVE HERE. THESE WILL TAKE THE FORM OF ID CARDS

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CARRIED IN THE WALLET, PERMITTING THE U.S. CITIZEN TO ENTER AND TO LEAVE THE REPUBLIC AT WILL. THE VISA WILL BE PERMANENT, BUT WILL BE RESCINDED WHEN THE U.S. GOVERNMENT INFORMS THE PANAMANIAN GOVERNMENT THAT THE U.S. CITIZEN IS NO LONGER EMPLOYED BY THE CANAL ENTITY.

6. THERE IS STILL ARGUMENT GOING ON ABOUT GRANTING

EARLY (15 YEARS) RETIREMENT. THE STATE DEPARTMENT IS INVESTIGATING THIS.

7. PANAMA WILL GET THE PANAMA RAILROAD. (GRAHAM BELIEVES THERE IS SOME QUESTION AS TO WHETHER CONGRESS WILL APPROVED THIS.)

8. U.S. EMPLOYEES WILL GET PX AND ARMY COMMISSARY PRIVILEGES FOR 5 YEARS; THEN THEY WILL HAVE TO GO ON THE PANAMANIAN ECONOMY (WITH NO COST-OF-LIVING SUBSIDY FROM THE U.S. GOVT.)

9. NON-U.S. CITIZENS LIVING IN THE CANAL ZONE WILL LOSE ALL PRIVILEGES IMMEDIATELY, EXCEPT FOR HOSPITAL PRIVILEGES FOR THOSE WHO ALREADY POSSESS SUCH PRIVILEGES AT THE TIME THE TREATY GOES INTO EFFECT.

10. THERE IS THE POSSIBILITY THAT A COMMISSARY, BOWLING ALLEY, OR OTHER SUCH SERVICES COULD BE TAKEN OVER BY THE EMPLOYEES AND RUN AS A CO-OP, BUT NOT NECESSARILY WITH U.S. PRICES.

11. THERE IS POSSIBILITY THAT EMPLOYEES RECRUITED FROM THE U.S. FOR JOBS NOT CRITICAL TO THE OPERATION OF THE CANAL WILL BE ON THE DOD 5-YEAR ROTATION PROGRAM. THIS WILL NOT AFFECT EMPLOYEES WHO ARE CRITICAL TO THE CANAL OPERATION (PILOTS, MARINE ENGINEERS, ETC.)

12 U.S. CUSTOMS EMPLOYEES WILL LOSE JOBS IMMEDIATELY. POLICE JOBS WILL BE ABOLISHED SIMILARLY. ARRANGEMENTS HAVE NOT BEEN AGREED UPON AS TO WHAT PROVISIONS TO LIMITED OFFICIAL USE

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MAKE FOR THESE EMPLOYEES. END QUOTE.

2. THIS FLYER WAS REPORTED IN THIS MORNING'S "CRITICA" AND WAS GIVEN PLAY ON SOME RADIO STATIONS AS WELL.

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## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Original Handling Restrictions:** n/a  
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**Subject:** INFORMATION ON THE TREATY IN THE CANAL ZONE  
**TAGS:** PBOR, EWWT, PN, US  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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